GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3141
ANSWERED ON:11.08.2000
FOREIGN EXCHANGE RESERVE
RAGHUNANDAN LAL BHATIA;RAVINDRA KUMAR PANDEY;V. SAROJA

Will the Minister of FINANCE be pleased to state:

(a) whether foreign exchange reserves in the country has become 36 million 47 crore after declining 25 crore 40 lakh dollars during the week ending 23rd June;

(b) whether as per figures of Reserve Bank of India thisamount was 36 million 72 crore 40 lakh dollars before a week and 33 million 17 crore 60 lakh dollars before a year;

(c) if so, the details thereof;

(d) the latest position of Foreign Exchange Reserves; and

(e) the measures taken by the Government to enhance the foreign exchange reserves of the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a), (b) & (c) : The foreign exchange reserves comprising foreign currency assets, gold and SDRs amounted to US$ 36,470 millionas on June 23, 2000, which shows a decline of US$ 254 million over the previous week`s (June 16, 2000) level of US$ 36,724 million. Compared with the level of foreign exchange reserves at US$ 33,176 million a year back (as on June25, 1999), the level of reserves as on June 23, 2000, shows a net increase of US$ 3,294 million.

(d) : The latest position of foreign exchange reserve amounted to US$ 36,196 million as on July 28, 2000.

(e) : The movements in foreign exchange reserves reflect demand-supply gaps in the foreign exchange market, emanating from India`s international transactions both on the current and capital accounts of balance of payments. The Government and the Reserve Bank of India monitor closely the developments in the balance of payments and in the financial markets at home and abroad and take such measures as considered necessary from time to time to increase exports and invisible receipts, including remittances, to enhance the flows of capital, particularly foreign direct investments and to maintain orderly conditions in the foreign exchange market.